

Senate Bill No. 1271

CHAPTER 67

An act to amend Section 5501 of the Probate Code, relating to nonprobate transfers.

[Approved by Governor June 20, 2002. Filed with
Secretary of State June 21, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1271, Ackerman. Nonprobate transfers: Uniform TOD Security Registration Act.

Existing law, the Uniform TOD Security Registration Act, provides for the transfer of the ownership or proceeds of a security, as defined, upon the death of the owner, without probate or estate administration, and defines a security account for these purposes.

This bill would add the term cash equivalents, as defined, and an investment management or custody account with a trust company or a trust department of a bank with trust powers, as specified, to the definition of security account for purposes described above.

The people of the State of California do enact as follows:

SECTION 1. Section 5501 of the Probate Code is amended to read: 5501. For purposes of this part:

(a) "Beneficiary form" means a registration of a security that indicates the present owner of the security and the intention of the owner regarding the person who will become the owner of the security upon the death of the owner.

(b) "Register," including its derivatives, means to issue a certificate showing the ownership of a certificated security or, in the case of an uncertificated security, to initiate or transfer an account showing ownership of securities.

(c) "Registering entity" means a person who originates or transfers a security title by registration, and includes a broker maintaining security accounts for customers and a transfer agent or other person acting for or as an issuer of securities.

(d) "Security" means a share, participation, or other interest in property, in a business, or in an obligation of an enterprise or other issuer, and includes a certificated security, an uncertificated security, and a security account.

(e) (1) "Security account" means any of the following:

(A) A reinvestment account associated with a security, a securities account with a broker, a cash balance in a brokerage account, cash, cash equivalents, interest, earnings, or dividends earned or declared on a security in an account, a reinvestment account, or a brokerage account, whether or not credited to the account before the owner's death.

(B) An investment management or custody account with a trust company or a trust department of a bank with trust powers, including the securities in the account, the cash balance in the account, and cash equivalents, and interest, earnings, or dividends earned or declared on a security in the account, whether or not credited to the account before the owner's death.

(C) A cash balance or other property held for or due to the owner of a security as a replacement for or product of an account security, whether or not credited to the account before the owner's death.

(2) For the purposes of this subdivision, "cash equivalent" means an investment that is easily converted into cash, including, but not limited to, treasury bills, treasury notes, money market funds, certificates of deposit, and credit union shares.

(f) This section may not be construed to govern cash equivalents in multiple-party accounts that are governed by the California Multiple-Party Accounts Law, Part 2 (commencing with Section 5100).

